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CONFIRMATION

Congratulations. Your filing has been successfully certified.

Filing 1 was successfully certified on Mon 8 Jun 15 03:18:33 PM EDT by lmason@smtel.com .

SAC : 482254

SPIN : 143002542

Carrier Name : SOUTHERN MONTANA TEL

Program Year : 2016

A confirmation email will be sent to the email address on record for your user ID. Please email USAC at HCCERTS@USAC.ORG if you do not receive this email within 24 hours.

[Return to 481 Search](#) [Print Confirmation Page](#)

FCC Form 481 - Carrier Annual Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	482254
<015> Study Area Name	SOUTHERN MONTANA TEL
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Larry Mason
<035> Contact Telephone Number: Number of the person identified in data line <030>	4066893333 ext.
<039> Contact Email Address:	lmason@smtel.com

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
(check box when complete)			
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> 482254MT510.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> 482254MT610.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability Certification	Yes <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> 482254MT1010.pdf	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Certify whether terrestrial backhaul options exist (Yes or No) <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet			
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers			
<2000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet			
<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

482254MT112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Not Applicable

(200) Service Outage Reporting (Voice) Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

[illegible]

<010>	Study Area Code	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smstel.com

[illegible]

(710) Broadband Price Offerings Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

[illegible]

(800) Operating Companies	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com
<810>	Reporting Carrier	Southern Montana Telephone Company
<811>	Holding Company	Not Applicable
<812>	Operating Company	Southern Montana Telephone Company

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- | <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
<922> Feasibility and sustainability planning;
<923> Marketing services in a culturally sensitive manner;
<924> Compliance with Rights of way processes
<925> Compliance with Land Use permitting requirements
<926> Compliance with Facilities Siting rules
<927> Compliance with Environmental Review processes
<928> Compliance with Cultural Preservation review processes
<929> Compliance with Tribal Business and Licensing requirements. | <table border="1"> <thead> <tr> <th>Select
Yes or No or
Not Applicable</th> </tr> </thead> <tbody> <tr><td></td></tr> <tr><td></td></tr> <tr><td></td></tr> <tr><td></td></tr> <tr><td></td></tr> <tr><td></td></tr> <tr><td></td></tr> <tr><td></td></tr> <tr><td></td></tr> </tbody> </table> | Select
Yes or No or
Not Applicable | | | | | | | | | |
|---|---|--|--|--|--|--|--|--|--|--|--|
| Select
Yes or No or
Not Applicable | | | | | | | | | | | |
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Select Yes or No or Not Applicable

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

482254MT1210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- | | | |
|--------|---|-------------------------------------|
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
| <1222> | Details on the number of minutes provided as part of the plan, | <input checked="" type="checkbox"/> |
| <1223> | Additional charges for toll calls, and rates for each such plan. | <input checked="" type="checkbox"/> |

(2000) Price Cap Carrier Additional Documentation

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	
<015>	Study Area Name	482254
<020>	Program Year	SOUTHERN MONTANA TEL
<030>	Contact Name - Person USAC should contact regarding this data	2016
<035>	Contact Telephone Number - Number of person identified in data line <030>	LARRY MASON
<039>	Contact Email Address - Email Address of person identified in data line <030>	4066893333 ext.
		lmason@smte1.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- | | |
|---------|--|
| <2010> | 2nd Year Certification {47 CFR § 54.313(b)(1)i} |
| <2011a> | 3rd Year Certification {47 CFR § 54.313(b)(1)ii} |
| <2011b> | Attachment {47 CFR § 54.313(b)(1)iii} |

Name of Attached Document(s) Listing Required Information

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- | | |
|--------|--|
| <2012> | 2013 Frozen Support Calculation (47 CFR § 54.313(c)(1)) |
| <2013> | 2014 Frozen Support Calculation (47 CFR § 54.313(c)(2)) |
| <2014> | 2015 Frozen Support Calculation (47 CFR § 54.313(c)(3)) |
| <2015> | 2016 and future Frozen Support Calculation (47 CFR § 54.313(c)(4)) |

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband**

Connect America Phase II Reporting {47 CFR § 54.313(e)}

- | | |
|--------|--|
| <2017> | 3rd year Broadband Service Certification |
| <2018> | 5th year Broadband Service Certification |
| <2019> | Interim Progress Certification |

- <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

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- <2021> Interim Progress Community Anchor Institutions**

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Name of Attached Document(s) Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code	482254
<015> Study Area Name	SOUTHERN MONTANA TEL
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	LARRY MASON
<035> Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	lmason@smte1.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

- (3010) Progress Report on 5 Year Plan
Milestone Certification (47 CFR § 54.313(f)(1)(i))

482254MT3010.pdf

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☒

482254MT3012.pdf

- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))
(3014) If yes, does your company file the RUS annual report

(Yes/No)
(Yes/No)



Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)
(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows



- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

482254MT3017.pdf

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, is your company audited?

(Yes/No)



If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

- (3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

- (3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

- (3023) Underlying information subjected to a review by an independent certified public accountant

- (3024) Underlying information subjected to an officer certification.

- (3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation (Continued)	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	482254
<015> Study Area Name	SOUTHERN MONTANA TEL
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Larry Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

Financial Data Summary

(3027) Revenue

5082526

(3028) Operating Expenses

3160439

(3029) Net Income

1614286

(3030) Telephone Plant In Service(TPIS)

23218251

(3031) Total Assets

16519144

(3032) Total Debt

8358209

(3033) Total Equity

6663819

(3034) Dividends

836445

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	482254
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<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Larry Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: SOUTHERN MONTANA TEL	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/08/2015
Printed name of Authorized Officer: Larry Mason	
Title or position of Authorized Officer: General Manager	
Telephone number of Authorized Officer: 4066893333 ext.	
Study Area Code of Reporting Carrier: 482254	Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	482254
<015> Study Area Name	SOUTHERN MONTANA TEL
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Larry Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	lmason@smte1.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

PREAMBLE

This document is an integral part of the Company's 2015 Annual Report, as attached to Form 481. It is in compliance with §54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161) and incorporates all further clarifications identified in subsequent Reconsideration Orders, as applicable, that were in effect at the time the Annual Report was filed.

Southern Montana Telephone Company ("Southern Montana") carefully developed its improvement plan, concentrating on the delivery and continuation of a robust network which provides, at a minimum, the federally required voice and broadband connectivity as stipulated by regulatory rule. In certain situations the plan may also incorporate specific state requirements and will be noted when appropriate.

Southern Montana advises that its improvement plan was carefully crafted, matching measured network deployment, improvement, and quality service levels with known financial implications of the Transformation Order on the Company's support cash-flows. The uncertainty of such cash flows being received as a result of current and potential regulatory action on rural rate-of-return carriers has resulted in the Company taking a balanced yet realistic approach.

The environment in which the Company operates remains dynamic, not static. As a result, certain network targets identified in its initial 5 Year Network Improvement Plan filed in 2014, may be modified in response to regulatory decisions that have been subsequently adopted, and as their implication upon the Company's financial viability in providing the required services and service level quality became known.

Modifications to the network plan may also have been taken due to changes in technology, vendor-driven support, weather, or other emergency related contingencies.

Targets not met or changed since the initial 5 Year Plan filing are identified and reasons are provided for those changes.

UNIVERSAL SERVICE SUPPORT RECEIVED IN 2015

Per the Universal Service Administrative Company (USAC), as of 5/18/15 Southern Montana received a total of \$758,881 in USF support funds through March 2015. The breakdown of the funding for the year was:

- \$420,574 High Cost Loop Support,
- \$ 61,176 Connect America Fund-Intercarrier Compensation Support
- \$247,904 Interstate Common Line Support
- \$ 29,227 Safety Net Additive

Universal Service Support funds are used to: 1) maintain, upgrade, and improve the Company's network and, 2) cover its operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband throughout its service area.

USF support will continue to be included in the Company's current revenue accounts and forward-looking projections. Revenues, in the aggregate, are used for both capital expenditures (CAPEX) as well as to cover operating expenses (OPEX) and fixed costs incurred to obtain capital from lenders. The Company does not segregate USF for purposes of capital and operating expenditures; USF is expended in the same proportion as all other Company revenue.

The proportionate share of USF expenditures through March 2015 for CAPEX is estimated to be \$0 (0%); for OPEX \$758,881 (100%). This reflects the fact that no CAPEX was expended through March 2015. The Company's Progress Report filed with Form 481 due July 1, 2016 will include a full year's receipt of USF funding for 2015 along with corresponding CAPEX and OPEX expenditures for the period,

In the accompanying 2015 project detail (Attachment 3), expenditures for network improvements sometimes involve service quality, coverage and capacity as an integrated improvement project and are not mutually exclusive from one another. In terms of cost, projects involving more than one of these attributes are of equal dollar equivalence. Where a project involves a single attribute, it is so noted.

PROGRESS REPORT

2015

Squaw Creek CO, #1, #2, and #3 Hoop Rural Fiber Project: In 2015 Southern Montana intends to use operating cash flow to deploy Fiber to the Home (FttH) in four rural hoops of its Wisdom exchange. This project moves two hoops (CO and #3) originally scheduled for upgrade in 2016 into 2015. Attachment 1 is a map of the affected area.

The Squaw Creek CO, #1, #2, and #3 project cost is estimated at \$1,292,000. The Company has signed a contract for cable placement, has ordered electronics, and expects work to begin in mid-summer. The project involves placement of approximately 26 route miles of fiber to 39 subscribers currently served over copper. When complete, these 39 subscribers will have a minimum of 5MB upload and 1MB download broadband speeds available. The area currently has 16 broadband subscribers. Southern Montana expects an increase in broadband services as a result of this project based on past experience with copper customers upgraded to FttH. Although scheduled for completion in 2015, due to a short construction season necessitated by extreme weather conditions as well as uncertainty and unpredictability of cash flow, this project may not be finalized until early 2016. The Company's Field Engineer will be on-site, working alongside the construction crews on a daily basis and will provide monthly Progress Reports to Company Management to ensure deadlines are met.

2014 Project to be Completed in 2015: Inclement weather halted the Company's 2014 construction project before completion (Attachment 2). Work has resumed in 2015 and is expected

to be completed in late summer. The Company expects to spend approximately \$560,800 in 2015 to complete this project.

Wisdom Exchange Engineering: In 2014 the Company began to engineer certain portions of its Wisdom exchange as FttH. Four hoops were completed in 2014 and the remaining ten are expected to be completed in 2015 at a cost of \$212,000.

Switching (Genband C15 Software Upgrade): Although recognizing that support for switching investment is declining as a result of the Transformation Order, the Company, as the carrier of last resort and an Eligible Telecommunications Carrier, has an obligation to provide traditional services to its subscribers. Therefore, in order to maintain an appropriate technology platform and to improve efficiencies in its voice network, the Company expects to upgrade certain software in its C15 Host switch in 2015. This upgrade, originally expected to cost \$75,000 is now expected to cost \$25,000 with no additional support or return on the Company's investment.

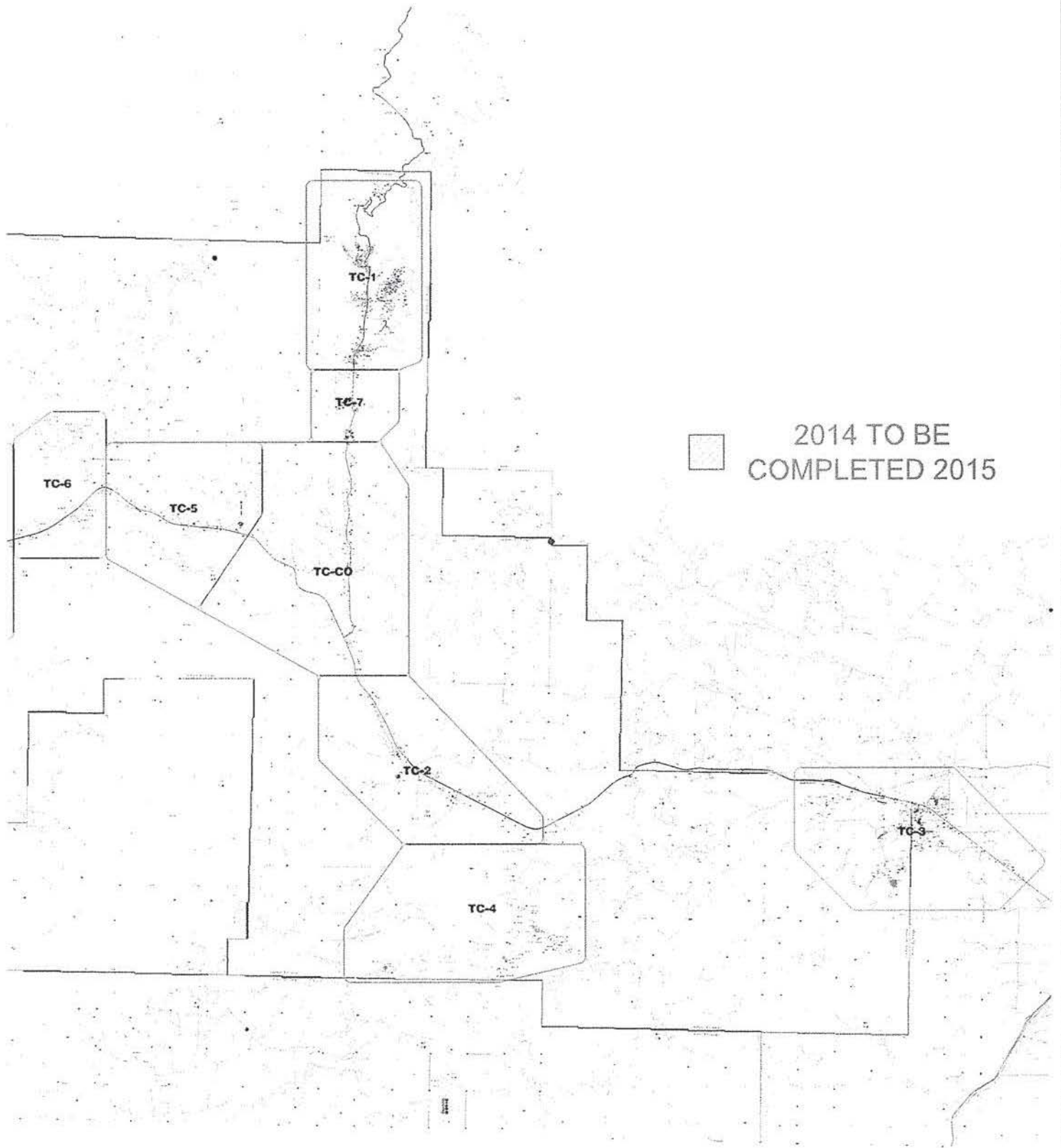
Transport Backhaul Network: The Company expects to add electronics to its transport network in order to accommodate various wireless carriers' backhaul needs. The Company expects to spend \$20,000 installing this equipment in 2015. This project was not foreseen in the original improvement plan.

Vehicles: In 2015 the Company has replaced three service trucks, one purchased in 2010, one in 2011, and one in 2012. One of these vehicles was originally scheduled for replacement in 2016. Because the Company's service area is so large, by necessity significant miles (an average of 25,000 annually) are put on service trucks in order to serve subscribers. To ensure the safety of employees as well as ensuring serviceable vehicles, the Company replaces most fleet vehicles every four-five years. Two vehicles replaced in 2015 were \$48,700 each and one was \$60,700 each for a total of \$158,100.

General Expenditures: In 2015 the Company expects to spend \$20,100 in miscellaneous additions.



DATE	PROJECT	SOUTHERN MONTANA TELEPHONE COOP. IMPROVEMENT PLAN 2015 - 2019			
10/26/13	STOCK CODE: 38, 39, 41, 42, 43, 44				
<p>Montana 326 Southern Montana Telephone Company Wisdom, Montana</p> <p>WORKS: 2015-2019</p>					
ORDER BY	DATE	C/O PHONE	LOCAL PHONE	STATE	
JFB	3/27/2015	2015, 5th progressing	2015	MT	



DATE	REVISIONS
3/27/15	Transferred 2014 to be completed 2015

SOUTHERN MONTANA TELEPHONE COOP.
IMPROVEMENT PLAN
2011 TO BE COMPLETED 2015

Montana 3/26
Southern Montana Telephone Company
Helena, Montana

DATE	DATE	DATE	DATE
JRB	3/26/2015	2015 to be completed	2014/2015

Wire Center and CLI	Project Description	Purpose	Cost Estimate	Actual Cost	Regulated % Allocation	Amount in USF Support Area	% Voice	% Broadband	Area Impacted	Subscribers Impacted	Targeted Completion	Actual Completion	Notes
Wisdom-WSDMMTXCD50	Squaw Creek CO Hoop, Hoop #1, #2 and #3: 25.62 Route Miles, FttH	Service Quality, Capacity	\$ -		100%	\$ -	50%	50%	70.24 sq miles	39	Q-4 2015	n/a	
	2014 Project Completed in 2015	Service Quality, Capacity	\$ -		100%	\$ -	50%	50%		295	Q-4 2015	n/a	
	Wisdom Exchange Engineering	Service Quality, Capacity	\$ -		100%	\$ -	50%	50%	247.34 sq miles	108	Q-4 2015	n/a	
	Transport Backhaul Network Upgrade	Service Quality, Capacity	\$ -		100%	\$ -	100%	0%		907	Q-4 2015	n/a	
	Replace 1 Vehicles	General	\$ 47,000	\$ 58,700	100%	\$ 58,700	50%	50%		907	Q-4 2016	5/31/2015	(2)
	General Expenditures	General	\$ -		100%	\$ -	50%	50%		907	Q-4 2015	n/a	
	Squaw Creek Hoop #1 and Hoop #2: 19.8 Route Miles, FttH	Service Quality, Capacity	\$ 1,089,000		100%	\$ 1,089,000	50%	50%	29.21 sq miles	26	Q-4 2015	n/a	(1)
	C15 Host Switch Upgrades	Service Quality, Capacity	\$ 75,000		100%	\$ 75,000	100%	0%		908	Q-4 2015	n/a	
	Replace 2 Vehicles	General	\$ 86,000	\$ 97,400	100%	\$ 97,400	50%	50%		908	Q-4 2015	5/31/2015	
			<u>\$ 1,297,000</u>	<u>\$ 156,100</u>									

(1) This project has been expanded from the initial improvement plan to include two additional hoops initially scheduled for upgrade in 2016.

(2) This vehicle was scheduled for replacement in 2016 in the initial improvement plan.

Consumer Protection

Southern Montana Telephone Company complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

Southern Montana Telephone Company complies with the service standards of the State of Montana as promulgated in the Montana Administrative Rule 38.5 subchapter 33, Telecommunications Service Standards.

Back-up Power

Southern Montana Telephone Company has the following back-up power capabilities:

Switches – stand alone and/or host

Southern Montana Telephone Company's Host Switch has a 36 KW propane powered generator with a 500 gallon fuel supply tank. Approximate run time is 48 hours with no maintenance.

Central Office batteries are rated at 1,120 AH capable of 55 amp draw for approximately 8 hours.

Remote Central Offices

Most remote central offices are equipped with 12.5 KW propane powered generators with a 500 gallon fuel supply tank. Approximate run time is 48 hours with no maintenance.

Southern Montana Telephone Company has two 15 KW trailer mounted mobile gasoline powered generators for remote central offices without stationary backup power, each with fuel capacity to run approximately 8 hours. These are stored at the host central office site.

Remote central office batteries are rated at 456 AH capable of 20 amp draw for approximately 8 hours.

Subscriber carrier (DLC, AFC, OPM, etc.)

Carrier huts are equipped with external connections for use with mobile generators. Hut batteries are rated at 96 AH capable of 23.4 amp draw for approximately 8 hours.

Southern Montana Telephone Company uses both Purcell and Calix brand DLC batteries. Purcell brand DLC cabinet batteries are rated at 180 AH capable of 22 amp draw for 8 hours. Calix brand DLC cabinet batteries are rated at 38 AH capable of 4.5 amp draw for approximately 8 hours.

Network Interface Devices (NIDs)

Southern Montana Telephone Company has 452 customers with metallic (copper) connections to the Central Office and their NIDs are powered from the Central Office.

Southern Montana Telephone Company has 456 customers with non-metallic (fiber optic) connections to the Central Office. These customers' NIDs are battery powered in case of emergency. The batteries are rated to last 10 hours with no use and 6 hours with constant use.

Ability to reroute traffic around damaged facilities

Southern Montana Telephone Company has in place redundant ERPS and SONET rings to reroute traffic in the event of a transport fiber cut or equipment failure.

Capability to manage traffic spikes resulting from emergency situations

Southern Montana Telephone Company has 908 customers, switching capacity of 10,000 simultaneous calls, and transport capacity for 64 simultaneous calls. **Southern Montana Telephone Co.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481

OMB Control No. 3060-0985/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	482254
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<015>	Study Area Name	SOUTHERN MONTANA TEL
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<020>	Program Year	2016
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<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
-------	---	-------------

<035> Contact Telephone Number - Number of person identified in data line <030> 4066893333 ext.

<039> Contact Email Address - Email Address of person identified in data line <030> lmason@smtel.com

<701> Residential Local Service Charge Effective Date	1/1/2015
---	----------

<702> Single State-wide Residential Local Service Charge

<703>

[illegible]

(710) Broadband Price Offerings Data Collection Form	FCC Form 481 OMB Control No. 3060-0985/OMB Control No. 3060-0819 July 2013
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OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

[illegible]

As evidenced by the data provided in lines 702 and 703 of this Form 481, **Southern Montana Telephone Company's** voice service pricing is, in fact, **less than** the national average urban rate (\$47.48) for voice service as announced by the Wireline Competition Bureau in April 2015(DA 15-470) and therefore, by definition, is no more than 2 standard deviations above that published rate.

LIFELINE ASSISTANCE FORM


☐ Initial Lifeline Enrollment

☐ Re-Certification of Lifeline Enrollment

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. All SMTC subscribers, including Lifeline subscribers, have unlimited local calling privileges at no additional charge. A Lifeline subscriber, as with any SMTC subscriber, is free to choose their own long distance through carriers that serve SMTC locations.

The information you provide on this form is strictly confidential and will only be used to assess your eligibility for Lifeline Assistance. Any documentation received will not be kept, shared or stored by Southern Montana Telephone Company.

PERSONAL INFORMATION

First Name: _____ Middle Initial: _____ Last Name: _____

Birth Date: _____ E-mail Address: _____

Phone Number: _____ Last 4 Digits of Social Security Number: _____

Residential Address:

Physical Address (no PO Boxes, must be your 9-1-1 address): _____

Billing Address (PO Box allowed): _____

City: _____ State: _____ Zip Code: _____

This address is:

☐ Permanent ☐ Temporary ☐ Multi-household

Do you share this address with any other person over the age of 18? ☐ Yes ☐ No (If yes, please complete the Household Worksheet on Page 3)

ELIGIBILITY

ARE YOU CURRENTLY PARTICIPATING IN ANY OF THE FOLLOWING PROGRAMS? (Check all that apply)

☐ Food Stamps (SNAP) ☐ Federal Housing Assistance (Section 8) ☐ Temporary Assistance for Needy Families

☐ Supplemental Security Income (SSI) ☐ National School Lunch (Free Program Only) ☐ Medicaid

☐ Low Income Home Energy Assistance Program

IS YOUR INCOME AT OR BELOW 135% OF THE FEDERAL POVERTY GUIDELINES ☐ Yes ☐ No

If yes, how many people are in your household? _____

Qualifying income per person:

(1) \$15,890 (2) \$21,506 (3) \$27,122 (4) \$32,738 (5) \$38,354 (Add \$4,160 for each additional person.)

IS ANYONE ELSE IN YOUR HOUSEHOLD CURRENTLY RECEIVING ANY LOW-INCOME ASSISTANCE FROM ANY OTHER WIRELINE OR WIRELESS TELEPHONE PROVIDER? ☐ Yes ☐ No

CERTIFICATIONS

- I understand that Lifeline is a federal benefit and that willfully making false statement to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- I understand only one Lifeline service is available per household and understand that a household is not permitted to receive Lifeline benefits from multiple providers.
- I understand that a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses.
- I understand that violation of the one-per-household limitation constitutes a violation of the Federal Communication Commission's rules and will result in my de-enrollment from the program.
- I certify that no other individual in my household is currently receiving Lifeline-supported service and understand that violation of this requirement will result in de-enrollment from the program and could result in criminal prosecution.
- I understand that Lifeline is a non-transferable benefit and I may not transfer my benefit to any other person.
- I agree to notify my telecommunications provider within 30 days if I no longer meet the income-based or program based criteria for receiving Lifeline support or if I find that I am receiving more than one Lifeline benefit or another member of my household is receiving a Lifeline benefit. I may be subject to penalties if I fail to do so.
- I agree to notify my telecommunications provider within 30 days if I move to a new address.
- I agree to provide documentation of my eligibility when required to do so and understand that failure to do so may result in de-enrollment.
- I understand that I may be required to re-certify my eligibility for Lifeline at any time and failure to re-certify my continued eligibility will result in de-enrollment and termination of Lifeline benefits.
- By participating in this government program, I agree to allow my personal information to be added to the national database. I understand that failure to comply will deny me the Lifeline benefit.
- I have read the information on this certification form and understand that I must meet the qualifications listed on this form to receive assistance from the program.
- I certify under penalty of perjury that I meet the eligibility criteria and the information that I populated in the Eligibility section of this form is correct.
- I understand completion of this certification form does not constitute immediate acceptance into the Lifeline program.

Signature: _____ Date: _____

Submit your completed form using one of the following methods. Lifeline subscribers will receive a re-certification form annually and must return that form within 30 days to ensure the continuation of Lifeline assistance benefits.

In-person or U.S. Postal Service:

Southern Montana Telephone Company

P.O. Box 205

Wisdom, MT 59761

Fax: 406-689-3959

Email: SMTC@smtel.com

SOUTHERN MONTANA TELEPHONE COMPANY USE ONLY

Date Form and Document Received: _____ Customer Acct No.: _____

Specific Documentation Provided by Customer Supporting Eligibility: _____

HOUSEHOLD WORKSHEET

If you share an address with another person who may have, or be eligible for Lifeline services, you must complete this Worksheet. This other person may not be a part of your household. Please answer the questions below to determine whether there is more than one household residing at your address.

1. Does your spouse or domestic partner (that is, someone you are married to or in a relationship with) already receive a Lifeline-discounted phone? (check no if you do not have a spouse or partner) ☐ YES ☐ NO
 - If you checked YES, you may not sign up for Lifeline because someone in your household already receives Lifeline. Only ONE Lifeline discount is allowed per household.
 - If you checked NO, please answer question #2.
2. Other than a spouse or partner, do other adults (people over the age of 18 or emancipated minors) live with you at your address?

A. A parent	<input type="checkbox"/> YES	<input type="checkbox"/> NO
B. An adult son or daughter	<input type="checkbox"/> YES	<input type="checkbox"/> NO
C. Another adult relative (such as a sibling, aunt, cousin, grandparent, grandchild, etc.)	<input type="checkbox"/> YES	<input type="checkbox"/> NO
D. An adult roommate	<input type="checkbox"/> YES	<input type="checkbox"/> NO
E. Other _____	Other _____	

 - If you checked NO for each statement above, you do not need to answer the remaining questions. Please initial line B, below, and sign and date the worksheet.
 - If you checked YES for any statement above, please answer question #3.
3. Do you share living expenses (bills, food, etc.) and share income (either your income, the other person's income or both incomes together) with at least one of the adults listed above in question #2? ☐ YES ☐ NO
 - If you checked NO, then your address includes **more than one household**. Please initial lines A and B below, and sign and date the worksheet.
 - If you checked YES, then your address includes only **one household**. You may not sign up for Lifeline if someone in your household already receives Lifeline.

- A. ☐ I certify that I live at an address occupied by multiple households.
- B. ☐ I understand that violation of the one-per-household requirement is against the Federal Communication Commission's rules and may result in me losing my Lifeline benefits, and potentially, prosecution by the United States government.

SIGNATURE

By signing below I certify that all information contained on this worksheet is true and correct. I understand that if I knowingly provide false information in order to obtain Lifeline benefits I will be guilty of perjury which is punishable by fines or imprisonment up to five years.

Signature: _____ Date: _____



P.O. Box 205
Wisdom, MT 59761
(406) 689-3333
Fax (406) 689-3959
www.smtel.com

July 1, 2015

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

**Re: WC Docket No. 14-58, 2015 Annual Report, Form 481 for High-Cost Recipient
54.313(f)(1) "Milestone Certification"**

Dear Ms Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that Southern Montana Telephone Company provides High Speed Internet service to its customers and:

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream;
- Provides broadband service with latency suitable for real-time applications including VoIP and usage capacity which is reasonably comparable to those in urban areas and;
- That reasonable requests for service are met within a reasonable timeframe.

If there are questions, I may be contacted at (406) 689-3333.

Sincerely,

Larry Mason

ANCHOR INSTITUTIONS WITHIN SOUTHERN MONTANA TELEPHONE COMPANY'S TERRITORY

Access to broadband services was available prior to 2014 to all known anchor institutions. All requests for broadband services, and speed, were fulfilled in 2014. Southern Montana Telephone Company continues to monitor customer demand and technological innovation, planning to size its network in anticipation of requests for higher speed broadband services.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME Southern Montana Telephone Company (Prepared with Audited Data)			
<i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i>		PERIOD ENDING December, 2014		BORROWER DESIGNATION MT0526	
CERTIFICATION <i>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</i> ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES. DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII <i>(Check one of the following)</i>					
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.					
<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report					
Larry Mason		2/19/2015 DATE			
PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	1,263,955	1,166,181	25. Accounts Payable	98,195	152,530
2. Cash-RUS Construction Fund	486	476	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	20,824	22,196
a. Telecom, Accounts Receivable	72,309	94,899	28. Customer Deposits	1,255	1,330
b. Other Accounts Receivable			29. Current Mat. L/T Debt	910,823	1,009,944
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable	378,319	378,494	33. Other Taxes Accrued	100,520	108,322
c. Notes Receivable			34. Other Current Liabilities	100,544	202,794
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	1,232,161	1,497,116
6. Material-Regulated	96,547	99,910	LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	8,339,168	8,358,209
8. Prepayments	22,014	9,521	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	1,833,630	1,749,481	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Recquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	325,548	330,116	46. Total Long-Term Debt (36 thru 45)	8,339,168	8,358,209
13. Nonregulated Investments	155,152	223,218	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	480,700	553,334	50. Total Other Liabilities and Deferred Credits (47 thru 49)	0	0
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	23,184,153	23,218,251	51. Cap. Stock Outstand. & Subscribed	6,100	6,100
19. Property Held for Future Use			52. Additional Paid-in-Capital	3,290	3,290
20. Plant Under Construction	88,125	2,647,793	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	10,129,301	11,649,715	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	13,142,977	14,216,329	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	5,876,588	6,654,429
			58. Total Equity (51 thru 57)	5,885,978	6,663,819
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		
	15,457,307	16,519,144		15,457,307	16,519,144

Total Equity = 40.34% of Total Assets

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION MT0526
INSTRUCTIONS- See RUS Bulletin 1744-2		PERIOD ENDING December, 2014
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	229,853	240,897
2. Network Access Services Revenues	4,318,992	4,728,161
3. Long Distance Network Services Revenues	117,073	114,386
4. Carrier Billing and Collection Revenues	249	
5. Miscellaneous Revenues	1,177	704
6. Uncollectible Revenues	(1,270)	1,622
7. Net Operating Revenues (1 thru 5 less 6)	4,668,614	5,082,526
8. Plant Specific Operations Expense	505,979	548,490
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	407,874	368,305
10. Depreciation Expense	1,328,533	1,448,736
11. Amortization Expense	8,750	8,750
12. Customer Operations Expense	188,394	157,153
13. Corporate Operations Expense	604,556	629,005
14. Total Operating Expenses (8 thru 13)	3,044,086	3,160,439
15. Operating Income or Margins (7 less 14)	1,624,528	1,922,087
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes	183,169	193,837
20. Total Operating Taxes (17+18+19)	183,169	193,837
21. Net Operating Income or Margins (15+16-20)	1,441,359	1,728,250
22. Interest on Funded Debt	387,225	361,387
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction	0	13,082
26. Total Fixed Charges (22+23+24-25)	387,225	348,305
27. Nonoperating Net Income	203,583	271,535
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	(142,456)	(37,194)
31. Total Net Income or Margins (21+27+28+29+30-26)	1,115,261	1,614,286
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	5,352,609	5,876,588
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)	591,282	836,445
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	5,876,588	6,654,429
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments	1,236,800	1,257,668
45. Cash Ratio [(14+20-10-11) / 7]	0.4048	0.3732
46. Operating Accrual Ratio [(14+20+26) / 7]	0.7742	0.7285
47. TIER [(31+26) / 26]	3.8801	5.6347
48. DSCR [(31+26+10+11) / 44]	2.2961	2.7194

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		MT0526	
		PERIOD ENDED December, 2014	
INSTRUCTIONS – See help in the online application.			
PART I – STATEMENT OF CASH FLOWS			
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	1,264,441	
CASH FLOWS FROM OPERATING ACTIVITIES			
2.	Net Income	1,614,286	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3.	Add: Depreciation	1,448,736	
4.	Add: Amortization	8,750	
5.	Other (Explain)		
Changes in Operating Assets and Liabilities			
6.	Decrease/(Increase) in Accounts Receivable	(22,765)	
7.	Decrease/(Increase) in Materials and Inventory	(3,363)	
8.	Decrease/(Increase) in Prepayments and Deferred Charges	12,493	
9.	Decrease/(Increase) in Other Current Assets	0	
10.	Increase/(Decrease) in Accounts Payable	54,335	
11.	Increase/(Decrease) in Advance Billings & Payments	1,372	
12.	Increase/(Decrease) in Other Current Liabilities	110,052	
13.	Net Cash Provided/(Used) by Operations	3,223,896	
CASH FLOWS FROM FINANCING ACTIVITIES			
14.	Decrease/(Increase) in Notes Receivable	0	
15.	Increase/(Decrease) in Notes Payable	0	
16.	Increase/(Decrease) in Customer Deposits	75	
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	118,162	
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	0	
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0	
20.	Less: Payment of Dividends	(836,445)	
21.	Less: Patronage Capital Credits Retired	0	
22.	Other (Explain)		
23.	Net Cash Provided/(Used) by Financing Activities	(718,208)	
CASH FLOWS FROM INVESTING ACTIVITIES			
24.	Net Capital Expenditures (Property, Plant & Equipment)	(2,593,766)	
25.	Other Long-Term Investments	(72,634)	
26.	Other Noncurrent Assets & Jurisdictional Differences	0	
27.	Other (Explain) Amount needed to reconcile.	62,928	
28.	Net Cash Provided/(Used) by Investing Activities	(2,603,472)	
29.	Net Increase/(Decrease) in Cash	(97,784)	
30.	Ending Cash	1,166,657	

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